

Adjustment to the 2016/17 Budget Proposals

Full Council 11 February 2016

The Cabinet's budget recommendation to Full Council included the impact of the Provisional Finance Settlement. This report outlines the proposed changes to the County Council's revenue budget as a consequence of Final Settlement being issued and amendments to budget options 2016/17.

1. The Final Settlement 2016/17

The Final Settlement was made on 8th February 2016. The key points impacting on the County Council's revenue budget are:

- a) The Secretary of State has introduced a Transitional Grant. Lancashire's share of this additional money is £1.108m in 2016/17 and £1.154 m in 2017/18.
- b) Education Services Grant (ESG) £14.389m for 2016/17 which is £1.177m lower than the budget provision.

In total the general resources have increased by £1.108m giving a budget requirement of £713.020m. However, it is proposed that the reduction in the ESG is not passported to the children's service but is met from general resources.

Overall, it is proposed that the net change of the Final Settlement will result in an additional £0.069m of reserves to be applied to support the revenue budget in 2016/17.

2. Amendments to budget options 2016/17

Following consultation on the budget recommended by Cabinet, the following amendments are now proposed:

a) Reverse the reduction on Blackpool Tramway	£0.314m
b) Re-instate the flood risk budget	£0.050m
c) Reduce the cut to severely disabled transport	£0.250m
Total Amendments	£0.614m

- d) Highways contingency reserve of £1.404m.

The total amendments to budget options 2016/17 are proposed to be funded from the Transitional Reserve.

After applying the Final Settlement and amendments to budget option changes, the budget allocation to services is shown overleaf:

Revenue Budget 2016/17	Net Budget £m
Adult Social Care	332.663
Chief Executive	1.035
Children's Services	100.771
Community Services	129.638
Corporate Commissioning	13.715
Customer Access	3.607
Development and Corporate Services	39.496
Governance, Finance and Public Services	13.992
Lancashire Pension Fund	-2.097
Corporate & Other	41.149
Public Health and Wellbeing	24.013
Sub-Total	697.982
Financing Charges	33.324
Use of one off resources	-18.286
Revenue budget 2016/17	713.020

That the recommended Council Tax proposal in the table below remains unchanged as follows:

	£m
Budget Requirement	713.020
Less RSG	118.841
Less Retained Business Rates	177.985
Less New Homes Bonus grant	5.084
Less Transformation Grant	1.108
Equals council tax cash	410.002
Divided by tax base	348,980.09
Gives Band D council tax for 2016/17	£1,174.86
2015/16 council tax	£1,129.78
Percentage increase	3.99%

County Councillor David Borrow,
Deputy Leader,
11 February 2016